

Consultants

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serve the nation's growth.

The leading practitioners of this art of exporting economic advice are Little, the Stanford Research Institute in Menlo Park, Calif., and Battelle of Columbus, Ohio. Booz, Allen & Hamilton and McKinsey also do some work in the less-developed countries but on a smaller scale.

Battelle is the largest of the Big Three with gross revenues of \$140-million last year, compared with \$84-million for Stanford Research and \$69-million for Little, although the firms' income from work in the developing countries does not correspond to their size.

Little is almost as active as Battelle in the third world, with revenues there of about \$6-million, compared to \$7.5-million for Battelle. Stanford Research estimated that it had only \$1.5-million worth of business from clients in the developing countries last year, although more of its work was done on Third World projects for other clients, such as private companies.

Obviously, economic development work constitutes only a fraction of the consulting firms' over-all business. All retain their traditional emphasis on technical research in specific industries, such as chemicals in the case of Little, metals at Battelle and electronics and chemicals at Stanford Research. And all have diversified into the fast-growing fields of energy and the environment, as well as economic analysis of the most diverse sort.

But if consulting in the developing world is still a minor part of their business, it is one of the "areas of greatest potential," as James M. Gavin, the chairman of Little, put it. Stanford Research notes that it has already done more business in the Third World this year than in all of 1974.

Little is also virtually guaranteeing itself a profitable supply of new clients in the 30 or so students it graduates each year from its Management Education Institute. The in-house school puts middle-level officials and executives from developing countries through the equivalent of a two-year master's in business administration program in 10 months. Among its 200 graduates are a top official of Petromin, the agency managing the Saudi Arabian oil industry, and the head of economic studies for Sonatrach, the national Algerian oil company.

North Africa and the Middle East are, with Brazil, the big new spenders in the Third World — or as William G. Sotos, director of international operations for Battelle puts it, where "the big bucks are coming from."

While formerly most of the funding for research and advisory services in these countries came from the United States foreign-aid program or from institutions like the World Bank, with the local government acting

mainly as a conduit for the money, today the trend is toward direct contracting by the foreign government itself.

Indeed, the oil-rich nations have commissioned so many economic feasibility studies that a skeptic can only wonder whether more of them do not end up in a drawer than on a drawing board. "You go into these offices and see stacks of what I'm sure is very fine thinking," said Alonzo L. McDonald, managing director of McKinsey in New York.

Most consultants concede that their government clients are not so likely as private clients to utilize the advice they receive, particularly overseas, where complex political considerations, cultural differences and linguistic barriers come between the advisers' and the clients' perceptions of the problem.

But even if a report is not acted upon, it can frequently have an important negative effect. "We've killed millions of dollars' worth of lousy projects," said Little's Mr. Krebs. He cited the case of the proposed Non Khai bridge over the Mekong River, connecting Laos to South Vietnam. In the late nineteen-sixties a Japanese firm had done a feasibility study for the Laotians and issued a favorable report on the project.

At the same time, in the course of doing a transport survey of Southeast Asia, Little analysts discovered that the projected benefits were all attributable to the movement of petroleum to supply the war operations in South Vietnam. The Asian Development Bank, which was being asked to finance the bridge, then took a second look and rejected the idea.

Consultants such as Mr. Krebs also maintain that, even when a study has no tangible impact, the client is still left with a valuable research document, such as the Southeast Asian transport study, which was widely distributed to United Nations agencies, or is left with a deeper understanding of a methodology of problem-solving, which can be applied in other situations.

This educational aspect of economic development work is Mr. Krebs's argument against those who would criticize Little and others for working with regimes that are authoritarian or hostile to the United States.

"Keeping other countries in ignorance is never to the national advantage," he said. "It can only be to our advantage when another government can see that an American firm is free to offer objective, unbiased advice, unconstrained by the national policies of the moment."

The clients seem to agree. When asked why he turned to a team of capitalists to organize his government, a high Tanzanian official reportedly replied, "We're more interested in the development of our country than in the ideology of our advisers; we want the best talent and we'll go where we can get it."

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SYRIAN CONDEMNS KISSINGER POLICY

In an Interview, Assad Bars an Interim Accord With Israel on Golan Area

The following article was written by Edward R. F. Sheehan, a journalist who writes frequently on the Middle East.

Special to The New York Times

DAMASCUS, Syria, Sept. 27 — President Hafez al-Assad of Syria, in a militant but ambiguous interview today, severely criticized Secretary of State Kissinger's peace efforts in the Middle East, linked further Syrian moves to Israeli concessions to the Palestinians and disclaimed any Syrian interest in further interim solutions on the Golan Heights.

His remarks seemed to signify a growing disillusionment with United States mediation in the Middle East and a corresponding hardening of Syrian policy.

However, President Assad seemed at times deliberately cryptic in his responses, and appeared to allow some small latitude for Mr. Kissinger in any effort he might undertake to arrange a new Israeli withdrawal from the Golan Heights.

The interview took place between 11:40 o'clock last night and 3:55 A.M. today in the ornate reception room of the Presidential Palace in Damascus.

President Assad rattled worry beads constantly and sipped Turkish coffee and sweet tea as he talked. He joked and laughed often, and was at pains to imply his personal friendship and affection for Mr. Kissinger. Following are excerpts from the interview:

Question. Where does Your Excellency think the American peace effort in the Middle East is headed?

Answer. When I first met Dr. Kissinger he talked to me of the American desire to achieve a just peace in this area, and of the relation of a just peace to the achievement of the aspirations of the Arab people of Palestine. He talked of the necessity of moving quickly without stopping over small matters. He did not seem to desire to dwell on trivia, but seemed to conceive of movement to peace in large strides forward.

Q. You think he is bogged down in trivia?

A. It seems to us now that the policy of the United States has three goals—to strengthen Israel, to weaken the Arab nation and to divide it, and to weaken or eliminate Soviet influence in the Middle East. The pursuit of these goals makes it difficult if not impossible to accomplish a just and lasting peace in this area, and the goals explain why so little has been achieved since the war of October 1973.

No Decision on U.N. Force

Q. There is a growing fear that Syria will not renew the mandate of the United Nations Disengagement Observer Force on the Golan when it expires at the end of November.

A. This subject is under discussion now. No final decision has been reached.

Q. Is Syria still willing to negotiate a new disengagement accord with Israel on the Golan Heights?

A. We discussed this subject with Dr. Kissinger in August and early this month. Perhaps within the next two or three days we will communicate our position to him.

Q. Dr. Kissinger is reported to favor an Israeli withdrawal of three kilometers [1.8 miles] on the Golan.

A. We should not get lost in these partial matters. Syria owns the land and we have rights—either to restore them or not. The battle for three kilometers is the battle for the whole of Golan, and it is the same battle whether political or military. So why should our efforts be dispersed like this—especially when it has become clear after the new Sinai agreements are in the interest of Israel and not of the Arabs? We want all of Golan back, not three kilometers. If I held a referendum for my people on a three-kilometer withdrawal, it wouldn't get 10 votes. We can do without the three kilometers till the time Israel withdraws from all of Golan. The territory is not necessary for our economy. It is necessary for our national dignity.

Q. But if the Israelis were prevailed upon to relinquish one or two settlements on the Golan, as a symbolical beginning to establish a precedent?

A. Of course we have no objection if they withdraw from one or two settlements—we would welcome it.

Q. But they would do that only as part of a negotiated agreement.

A. This is what requires discussion.

Q. Will you insist on linking any Israeli withdrawal on the Golan with withdrawals on the West Bank of the Jordan and concessions to the Palestinians?

A. Anything we do will only be in agreement with the Palestine Liberation Organization. There can be no progress towards peace unless it takes into account the interests and rights of the Arab people of Palestine.

Q. Are you despairing of peace with Israel?

A. We are ready to live in peace with Israel in exchange for total withdrawal from all Arab lands, but we will not recognize her. Never.

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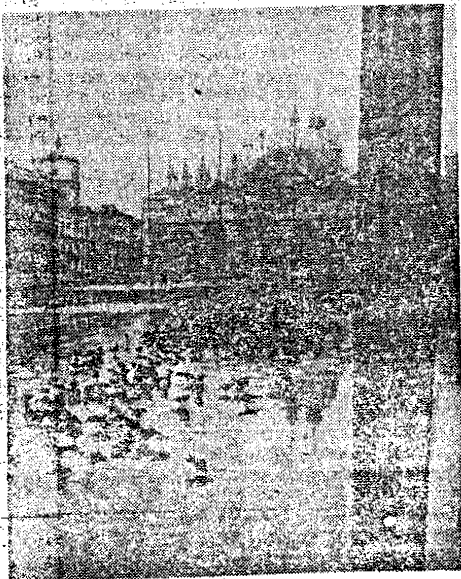
Venice: Turning of the Tide?

HIGH TIDES, industrial air pollution and real estate speculation have threatened Venice ever since Italy began to recover from World War II. Recurring tides—due in part to a rising sea level caused by the melting of the polar cap, in part by man-made ecological changes—sweep through the old canals, flooding Piazza San Marco and damaging the churches, palaces and their art treasures that are the glory of Western civilization. Until very recently, the flood was aggravated by the fact that the city was slowly sinking, as ground water was pumped from thousands of artesian wells. The good news is that the sinking has now been stopped. The bad news is that poisonous fumes, belching from the big oil refineries at nearby Porto Marghera, one of Italy's foremost industrial harbors, continue to unmarred by the passage of centuries. Heedless building for progress, for new jobs and new prosperity, drained the old city of commercial vitality. Even the old *vaporetti*, the Venetian water buses, now seemed too slow for our busy time, and the Grand Canal is choked with motor boat traffic that rocks the founda-

tions of ancient houses. The great flood of November 4, 1966, dramatized the prospect that Venice might succumb to accelerating decay. It reminded all of us that technology, as C. P. Snow put it, while providing untold blessings with one hand, may stab us in the back with the other.

Offers to help came from everywhere—from scientists and scholars, foundations and international organizations and thousands of people from all over the world for whom, as art historian Terisio Pignatti put it, Venice was not just a brief memory, an idyllic weekend, a postcard, a mirage, but also the dream that we can yet avoid going down under the juggernaut of mass culture. A year after the devastating flood, the United Nations Educational and Scientific Organization stood ready with money, technical advice and an action program to save the dream. Last year, UNESCO's director-general René Maheu was forced to threaten the withdrawal of the aid program in the face of Italian left-argy. UNESCO funds for Venice, it seemed, had been used for other purposes. The national government had other cares and the Venetians themselves were deadlocked in a quarrel over industrialization versus preservation.

But now, due in part to UNESCO pressure and in part to a new, preservation-minded Communist-Socialist government in Venice, the deadlock seems broken at last. The long-promised aqueduct from the Alps is completed, the wells are gradually shut, the ground water is rising again and the city has stabilized. Plans for new sewers and the restoration of government-owned historic buildings are at last to be realized. New government directives give emphasis to the development of Venice as a commercial center rather than an industrial port. And the Italian Public Works Ministry has let bids for the construction of dams that would keep flood tides out of the Venetian Lagoon. The most intriguing proposal—and a major advance in hydro-technology—calls for an inflatable rubber dam, somewhat like a gigantic hot water bottle, that would rest on the bottom of the sea. Developed and tested by the Pirelli Tire Corporation, this dam would not interfere with shipping and the lagoon's complex ecology unless a tidal flood threatened. When it did, a computer would forecast the storm, activate pumps and fill the giant polyester tubes so they would form effective barriers against heavy seas. So you see: technology need not destroy our past. We need only engage and direct it intelligently to safeguard both prosperity and history.



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